

FY 2005

PERFORMANCE BUDGET

Veterans' Employment and Training Service

**Veterans’ Employment and Training Service
PERFORMANCE BUDGET
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I. General Statement

A. Introduction

The mission of the Veterans' Employment and Training Service (VETS) is to provide veterans with the resources and services to succeed in the 21st century workforce by maximizing their employment opportunities, protecting their employment rights and meeting the labor market 's demand for qualified veterans. VETS' charter is a direct reflection of the nation's responsibility to meet the employment, training and job security needs of those who serve in uniform. Title 38, United States Code, Chapters 41, 42 and 43, as recently amended by the Jobs for Veterans Act of 2002, outlines VETS' responsibilities. VETS is led by an Assistant Secretary, supported by two Deputy Assistant Secretaries, two offices (Operations and Programs and Agency Management and Budget), a Strategic Planning, Legislative Analysis and Marketing team, and ten regions that include state and sub-state level staff.

VETS helps veterans get jobs through the public labor exchange (employment services provided by One Stop Career Centers). Grants are provided to State Workforce Agencies (SWA) to support staff dedicated to serving veterans. These dedicated staff, Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans Employment Representatives (LVER) provide direct employment and training assistance to veterans.

VETS ensures that veterans who require special employment assistance due to disabilities or barriers to employment receive appropriate services based on their needs. VETS provides funding, through the Homeless Veterans Reintegration Program (HVRP) and Veterans Workforce Investment Program (VWIP) to serve targeted groups of veterans who need even further assistance.

VETS protects the reemployment and employment rights of veterans and members of the National Guard and reserve components to enable them to serve on active duty without harm to their employment status and to assist them to obtain Federal veterans' preference in employment.

VETS meets its responsibilities through five activities:

(1) *State Administration* – Funding for Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) positions (\$162,415,000). DVOPs provide outreach, intensive employment services and priority of service to special disabled, disabled and other eligible veterans. LVERs develop employment opportunities for veterans via outreach to area employers;

(2) *Federal Administration* – provides guidance and policy direction to serve and meet employment and training needs of veterans (\$29,683,000). Through coordination with State partners, the Departments of Defense, Veterans Affairs, and Homeland Security programs such as Transition Assistance (TAP), Federal Contractor, Uniformed Services Employment and Reemployment Rights Act (USERRA), and Federal Veteran's Preference are made available to assist veterans in the civilian workforce;

(3) *National Veterans' Employment and Training Services Institute (NVTI)* – Develops and provides competency training to providers of services to veterans (\$2,000,000);

(4) *Homeless Veterans' Reintegration Program (HVRP)* – Provides competitive grants to operate employment programs specializing in outreach, supportive services and training to reintegrate homeless veterans into the workforce (\$19,000,000); and

(5) *Veterans' Workforce Investment Program (VWIP)* – Provides competitive grants geared toward training, re-training and employment opportunities for veterans with service-connected disabilities, those with significant barriers to employment and recently separated veterans (\$7,550,000).

Currently, the Veterans' Employment and Training Service functions through its headquarters, ten regional offices, a State Director in each State, Washington, D.C. and Puerto Rico. In FY 2005, VETS plans to realign its operating structure to match ETA's by having six regional administrators covering the 10 regions.

The VETS' mission supports the Department of Labor's (DOL) strategic goals of a *Prepared Workforce* that enhances opportunities for America's workforce, of *Quality Workplaces* that are safe, healthy and fair, and of supporting a *Competitive Workforce*. For this, VETS is requesting \$220,648,000 and 250 FTE to support three performance goals:

(1) To improve the employment outcomes for veterans who receive employment assistance services and veterans program services;

(2) To reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment; and

(3) To improve the transition of separating service members to the civilian workforce where their state of the art knowledge of electronics, and their trainability and discipline contribute to a competitive workforce.

B. Issues, Outcomes and Strategies

About 200,000 service members leave active duty annually. This number should increase in FY 2004 and 2005 as troops stationed overseas return to civilian life. VETS is planning an increase in TAP workshop participation for FY 2005 as TAP workshops are provided overseas. VETS works with the Departments of Defense (DOD), Homeland Security (DHS) and Veterans Affairs (VA) to ensure that those about to separate are able to successfully transition into the civilian economy. This is accomplished through the provision of special transition counseling and other services. Veterans' satisfaction with their transition and subsequent success in the workforce assist DOD's efforts to recruit and retain an all-volunteer armed force capable of meeting the challenges of an uncertain national security environment, including the ongoing global war on terrorism. Public knowledge of the substantive transition assistance veterans receive serves as an incentive to young men and women considering volunteering for military service.

Data supplied by the Bureau of Labor Statistics (BLS) indicates that the number of unemployed veterans started rising in early 2002 and continues to increase. The full impact of the global war on terrorism and eventual cessation of hostilities overseas cannot be measured, but additional new veterans will seek transition assistance and employment services as the "stop loss" (temporary retention of those scheduled to exit the military) subsides. BLS data show an average of 700,000 veterans are unemployed in any given month. Additionally, there are approximately 275,000 homeless veterans and 45,000 unemployed disabled veterans on average each month. Added to those increasing numbers is the projected increase in USERRA workload, reflecting

the large National Guard and Reserve component call-ups to active duty, in support of both the global war on terrorism and homeland security. This workload increase is expected to follow a pattern set after the Persian Gulf War. The number of USERRA claims increases with the number of activations.

For the more than 1,200,000 Reserve component and National Guard members, VETS ensures that their military service can be performed without adverse impact on their civilian employment via enforcement of the Uniformed Services Employment and Reemployment Rights Act of 1994.

VETS will continue to meet the employment, training and job security needs of America's uniformed services while addressing the following issues:

- Implementing Public Law 107-288, the Jobs for Veterans Act (JVA), which was enacted in November 2002. JVA provides VETS with increased program and administrative flexibility.
- Developing and implementing performance standards for employment services provided by State Workforce Agencies based on attainment of employment outcomes for veterans.
- Addressing the persistent problem of homelessness among veterans and the special problems faced by distinct groups of veterans such as the disabled and aging.
- Ensuring, under USERRA, that veterans and members of the National Guard and Reserve components suffer no penalties in their civilian jobs as a consequence of their military service.
- Facilitating a smooth transition of returning service members to the civilian workforce, and informing employers of the value of returning service members because of their experience in team work; willingness and ability to learn; leadership experience; discipline; technical skills; and values in a competitive workforce.

The JVA makes an immediate impact on both VETS' grant programs and services through the States and the agency's administrative structure. JVA allows greater flexibility in the employment and assignment of DVOP and LVER experts, broadens the priority of service mandate for DOL job training programs, and allows for financial and non-financial incentives to encourage States to develop improved and modern employment services for veterans. New performance measures focusing on employment outcomes are now being implemented for VETS' state grant programs. In addition, Unemployment Insurance (UI) wage record information will be used to compute the outcome measurements.

VETS has not yet had a formal review of its programs using the Administration's Performance Assessment Rating Tool (PART). However, VETS has been preparing itself for the PART reviews, identifying efficiency costs (i.e. Homeless Veterans Reintegration Program), and identifying program improvements. (See President's Management Agenda – last exhibit).

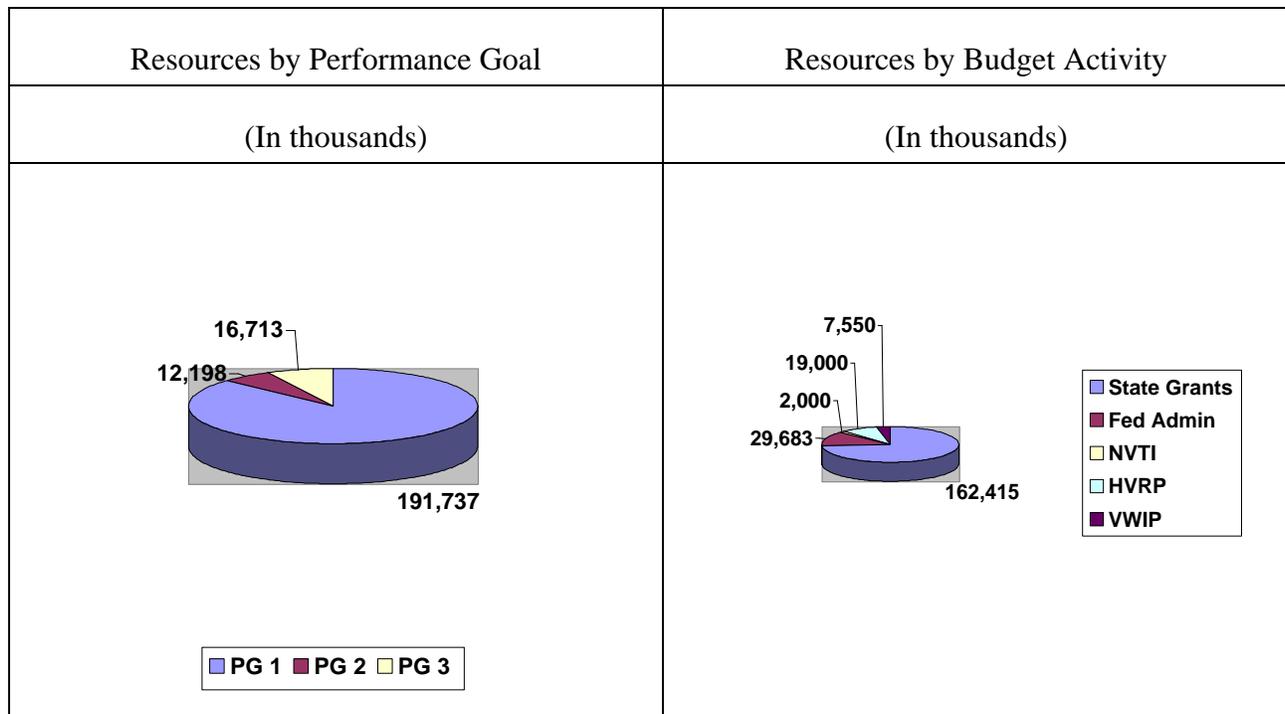
In FY 2005, VETS will prioritize efforts and resources to support three of the Secretary of Labor's Strategic Goals – *A Prepared Workforce*, *Quality Workplaces*, and *A Competitive Workforce* (see page 6). To support these goals, VETS' developed three performance goals that contribute to these strategic goals. In turn, the VETS budget request is designed to meet these three performance goals and performance indicators.

C. Cost Model

VETS requests a total of \$220,648,000. This level of funding will enable VETS to meet its highest priority performance plan goals and objectives during FY 2005. A comparison of outputs follows.

Output Indicators

Expected Outcome or Output	FY 2004 Estimate	FY 2005 Agency Request
Public Labor Exchange System Veterans' Entering Employment	930,000	975,000
Homeless Veterans Entering Employment	9,000	9,000
Veterans Workforce Investment Program Veterans Entering Employment	2,500	2,500
TAP Participants	129,000	130,000
Class Size	35	33
USERRA Cases Processed	1,350	1,375
Carryover to next FY	234	359
Fed. Veteran's Preference Cases Processed	217	225
Carryover to next FY	182	317



D. Performance Challenges

Resources available are the key factor in the level of achievement relative to services to veterans and the resulting number of veterans entering employment. VETS is continually seeking productivity increases and quality improvements within existing resources. There are other factors, as noted below, that also influence overall accomplishments.

External Challenges: The number of newly separated veterans may increase in FY 2005 as military services reduce their force levels. VETS' assumes that the current unemployment rate for veterans will remain at the same level by fiscal year 2004 and not substantially increase in 2005. Emphasis will be placed on having the One Stop Career Center's other employees serve as many unemployed job-ready veterans as possible (helping 54% of veteran registrants enter employment). VETS will rely on the good faith effort of its State partners to design programs that address this priority. VETS will also launch a campaign to create demand for veterans within the employer community. With the implementation of the Jobs for Veterans Act (P.L. 107-288), the States will have more flexibility to allocate their resources and VETS will provide technical assistance and ensure that State plans for services to veterans will enable them to meet performance goals. Also, the reauthorization of the Workforce Investment Act may affect the manner in which VETS works with its partners to become more fully integrated in the Workforce Development System.

Any situation that results in increases or decreases of the number of individuals on active duty, whether increases in the military services, or those in National Guard or reserve components, or other uniformed service, will affect the mix of resources VETS needs and its ability to meet its performance goals. The military should be releasing additional service members during FY 2005 to return to civilian life. Congress has proposed legislation to mandate attendance at Transition Assistance Program workshops. The war on terrorism could require that substantial numbers of citizen soldiers be away on extended military duty, putting pressure on employers and families. VETS must be prepared to provide additional information to service members and their employers on rights and responsibilities and utilize staff resources effectively to address individual problems as they arise.

Internal Challenges: Managing risk is a central element in the VETS approach to performance goal attainment. We are implementing a risk management framework, part of a broad-based organizational and performance effectiveness effort, consisting of four interrelated dimensions. These include: human capital, future challenges, institutional (waste fraud and abuse), and operational controls that ensure the effective and efficient operation of the agency.

The risk management framework allows agency-level consideration of potential trade-offs between fundamental performance goals and resource constraints. Through this risk management process, VETS can directly and effectively address the potential obstacles to successful performance goal attainment. VETS has incorporated a PART-type assessment into its management control system as a means of achieving a higher level of competency by managers, particularly at the State level.

E. Conclusion

VETS will take advantage of new flexibilities to better employ its resources and more effectively target them to meeting its performance goals.

F. Agency Performance Goals

VETS Performance Goal 1

Strategic Goal 1: A Prepared Workforce

Outcome Goal 1.1: Increase Employment, Earnings and Assistance

Improve the employment outcomes for veterans who receive One Stop Career Center services and veterans program services. Performance for this goal will be measured using the following indicators:

- 1.A 58% of veteran and 52% of disabled veteran job seekers will be employed in the first or second quarter following registration.
- 1.B 72% of veteran and 65% of disabled veteran job seekers will continue to be employed two quarters after initial entry into employment with a new employer.
- 1.C 55% of homeless veterans enrolled in the Homeless Veterans Reintegration Program (HVRP) enter employment.
- 1.D 55% of homeless veterans will continue to be employed six months after entering employment.
- 1.E A total of 2,500 veterans with employability barriers who receive VWIP services will enter employment.
- 1.F Establish baseline for VWIP service recipients who enter employment who will continue to employed after six months.
- 1.G Establish baseline for an efficiency measure: cost per entered employment (number of enrolled homeless veterans who enter employment divided by the total amount of funds in HVRP competitively awarded grants).

* A baseline has yet to be established because of the new measuring system that will be implemented on July 1, 2004.

VETS Performance Goal 2

Strategic Goal 3: Quality Workplaces

Outcome Goal 3.2 Foster Equal Opportunity Workplaces

Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.

The Quality of Services and relevance to veterans and reservists needs provided under the Uniformed Services Employment and Re-employment Rights Act (USERRA) and Veteran's Preference will be improved through better case handling and outreach efforts. For FY 2005, this will be measured using the following output indicators:

- 2.A. Conduct at least 95% of USERRA cases in an effective manner as defined by procedural guidelines and by substantive analysis.

2.B. Resolve 85% of USERRA cases within 90 days of their filing dates; resolve 90% of USERRA cases within 120 days of their filing dates; resolve 98% of USERRA cases within one year of their filing dates.

VETS Performance Goal 3

Strategic Goal 4.1: A Competitive Workforce

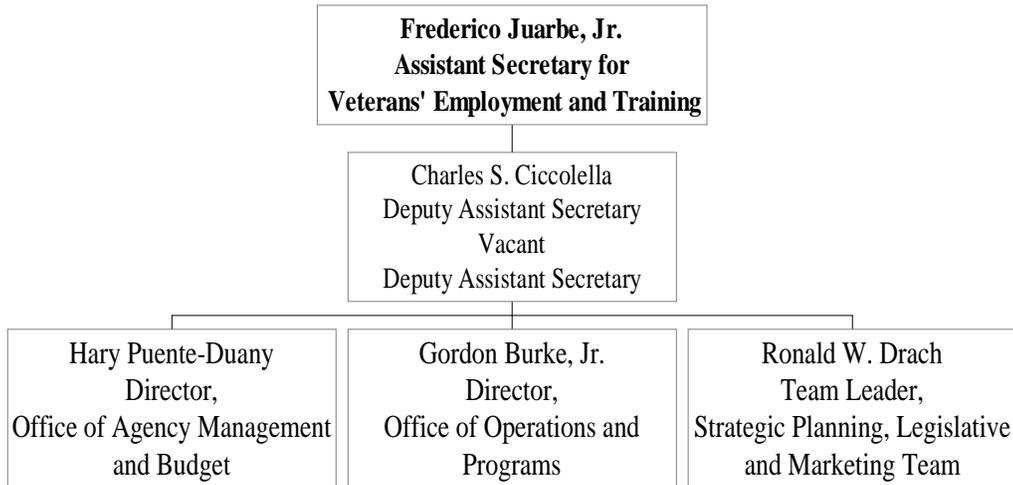
Outcome Goal 4.1: Address Demand for New, Replacement and Skilled Workers

Meet the demands of employers seeking to recruit and hire the most qualified and knowledgeable competitive workforce.

The provision of transition assistance services to separating service members will be extended overseas and their employability will be improved through a campaign designed to inform employers of the value of separating service members to their achievement of a competitive workforce.

3.A. For FY 2005, VETS projects we will provide transition assistance workshops to 130,000 participants.

Veterans' Employment and Training Service
Organization Chart



Veterans' Employment and Training Service
Appropriation Language

Not to exceed [\$193,443,000] *\$194,098,000* may be derived from the Employment Security Administration Account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 4100-4110A, 4212, 4214, and 4321-27, and Public Law 103-353, and which shall be available for obligation by the States through December 31, [2004] *2005*, of which \$2,000,000 is for the National Veterans' Employment and Training Services Institute. To carry out the Homeless Veterans Reintegration Programs (38 U.S.C. 2021) and the Veterans Workforce Investment Programs (29 U.S.C. 2913), \$26,550,000 of which \$7,550,000 shall be available for obligation for the period July 1, [2004] *2005* through June 30, [2005] *2006*. (*Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Veterans' Employment and Training Service
Analysis of Appropriation Language

Not to exceed \$194,098,000 may be derived from the Employment Security Administration Account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 4100-4110A, 4212, 4214, 4321-27, and Public Law 103-353

Reflects changes due to the Jobs for Veterans Act of 2002 (P.L. 107-288) and the Homeless Veterans Comprehensive Assistance Act of 2001 (Citation changes).

of which \$2,000,000 is for the National Veterans' Employment and Training Services Institute.

The Jobs for Veterans Act of 2002 requires a budget line for the National Veterans' Employment and Training Services Institute.

Effects of Legislative Change

The Jobs for Veterans Act, P.L. 107-288 provides state Governors the flexibility to determine the services provided to veterans based on a State Veterans Services Plan. These plans determine how the funds will be distributed between DVOP and LVER programs in each state after the funds are appropriated as one account.

The distribution is also impacted by civilian labor force data and veteran unemployment in States. Therefore, the amounts to be distributed to States for each program will not be available until they submit their State Veteran Services Plan by October 2004. VETS will then make available the distribution of funds by DVOP and LVER program and by States.

Amounts Available for Obligation
(\$ in thousands)

	FY 2003		FY 2004		FY 2005	
	FTE	Comparable Amount	FTE	Amount	FTE	Amount
A. Appropriation (Appropriations Language)....	250	214,212	250	219,993	250	220,648
Reduction pursuant to P.L. 108-7		-1,392				
Reduction pursuant to Conference Committee Report		0		-1,347		
Appropriation (Revised)	250	212,820	250	218,646	250	220,648
B. Gross Budget Authority	250	212,820	250	218,646	250	220,648
Trust Funds	250	187,312	250	192,253	250	194,098
General Revenue.....	0	25,508	0	26,393	0	26,550
C. Budget Authority Before Committee.....	250	212,820	250	218,646	250	220,648
Legal Services.....	0	803	0	853	0	803
D. Total Budgetary Resources	250	213,623	250	219,499	250	221,451
Unobligated Balance Expiring	-16	256	0	0	0	0
E. Total, Estimated Obligations	234	213,367	250	219,499	250	221,451

Summary of Changes
(Table in thousands)

	FY 2004		FY 2005		Net Change	
Budget Authority						
General Funds.....		\$26,393		26,550		157
Trust Funds.....		192,253		194,098		1,845
Total		218,646		220,648		2,002
Full-Time Equivalent						
General Funds		0		0		0
Trust Funds.....		250		250		0
Total		250		250		0
	<u>Trust Funds</u>		<u>General Funds</u>		<u>Total</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Explanation of Change:						
Increases						
A. Built-in:						
Annualization of pay increase effective Jan 2004	0	83	0	0	0	83
Federal pay raise effective in January 2005.....	0	186	0	0	0	186
Personnel Benefits.....	0	63	0	0	0	63
GSA Space Rental.....	0	116	0	0	0	116
Transportation.....	0	22	0	0	0	22
Printing and Reproduction.....	0	95	0	0	0	95
Other	0	42	0	0	0	42
Payments to the Working Capital Fund.....	0	296	0	0	0	296
Equipment.....	0	3	0	0	0	3
NVTI						
Other Services	0	12	0	0	0	12
Subtotal	0	918	0	0	0	918
B Program						
Grants						
Veterans Workforce Investment Program	0	0	0	45	0	45
HVRP	0	0	0	112	0	112
State Grants	0	1,007	0	0	0	1,007
Subtotal.....	0	1,007	0	157	0	1,164
Total Increase	0	1,925	0	157	0	2,082
Decreases						
A. Built-in:						
One less day of pay in FY 2005.....	0	-80	0	0	0	-80
Total.....	0	1,845	0	157	0	2,002

Summary Budget Authority and FTE By Account
Veterans' Employment and Training Service
(Dollars in Thousands)

	FY 2003		FY 2004*		FY 2005 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
Trust Funds						
State Grants	0	159,822	0	161,408	0	162,415
NVTI	0	994	0	1,988	0	2,000
Federal Admin	250	26,496	250	28,857	250	29,683
General Funds						
Homeless Veterans	0	18,131	0	18,888	0	19,000
Veterans Workforce	0	7,377	0	7,505	0	7,550
Total General and Trust Funds	250	212,820	250	218,646	250	220,648

* FY 2004 funding is shown post-rescission.

Activities

State Grants Activity

(000s)

	FY 2004 Request	FY 2004 Estimate	Difference Approp/Est	FY 2005 Request	Difference FY04/FY05
Activity Appropriation	\$162,415	161,408	-1,007	162,415	1,007
Other Appropriation	53	53	0	53	0
Other Resources	11,456	11,609	153	10,260	-1,349
Total Resources	173,974	173,070	-904	172,675	-395

Applicable Performance Goal: 1.A, 1.B (See page 6)

Introduction and Performance Summary

State administration.- The Veterans' Employment and Training Service (VETS) administers two grants-to-States programs that serve to directly meet the goals in its strategic plan: (1) the Disabled Veterans' Outreach Program (DVOP) and (2) the Local Veterans' Employment Representative (LVER) Program.

The Disabled Veterans' Outreach Program (DVOP) is a grants-to-States program authorized by Section 4103(A) of Title 38, United States Code. Under this program, DVOP specialists provide outreach services, and intensive employment services to meet the employment needs of eligible veterans. Priority of service is given to special disabled veterans, disabled veterans, and other eligible veterans. In providing these services, the maximum emphasis is on meeting the employment needs of economically or educationally disadvantaged veterans.

The Local Veterans' Employment Representative (LVER) program is a grants-to-States program, authorized by Section 4104(A), Title 38, United States Code. Under this program, LVERs conduct outreach to area employers to develop employment opportunities for veterans. They also facilitate employment, training, and placement services to veterans. In addition, each LVER is administratively responsible to the manager of the employment service delivery system to provide quarterly reports to the office manager and to the Director for Veterans' Employment and Training regarding compliance with Federal law and regulations with respect to special services and priorities for eligible veterans and eligible persons. LVER staff also maintain cooperative working relationships with community organizations and employers, and work closely with other agencies, including the Department of Veterans Affairs personnel involved in Vocational Rehabilitation and Employment (formerly Vocational Rehabilitation and Counseling) services for veterans. The LVER staff will play a larger role in assisting transitioning service members by delivering TAP workshops. Also, LVER staff promote and monitor listings of job openings by Federal contractors and subsequent referral of qualified veterans, and monitor the participation of veterans in Federally funded employment and training programs.

The FY 2005 request for State Grants is \$162,415,000. The United States Department of Labor (USDOL), Veterans' Employment and Training Service (VETS) provides grant awards on an

annual basis for the operation of the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representative (LVER) program in accordance with 38 U.S.C Chapter 41. This level of funding is expected to support 2,103 DVOP and LVER positions. The Jobs for Veterans Act of 2002 (JVA), amended section 38 U.S.C. 4103(A) enabling the States to employ full or part-time DVOP staff as the State determines necessary to carry out the above duties. The JVA also changed the funding formula (38 U.S.C. 4102(c)(2)(B)). The funding made available is based upon the number of veterans seeking employment, taking into consideration civilian labor force data and the number of unemployed veterans in a State. These two provisions prevent VETS from computing DVOP and LVER funding available by State until a formula is developed and States declare their intended staffing levels for DVOP and LVER staff when they submit a State plan. VETS estimates that about \$90 million will be requested for the DVOP and \$72 million for the LVER program. VETS will reallocate unused funds and use the incentive award set-aside authorized in the JVA to smooth the transition to the new funding formula

In support of these DVOP/LVER positions, VETS will continue to provide an operational framework to facilitate the optimum delivery of services to assist states in their mission of helping veterans find appropriate employment. An incentive awards program for State Workforce Agency staff will be available to reward improved services to veterans or increased entered employment rates. These resources will be devoted to meeting the needs of veterans, with a goal of helping, with One-Stop Career Center staff assistance, a combined 975,000 veterans to enter employment. (This request assumes that 54% of job ready veterans registering will enter employment through the assistance of non-DVOP/LVER One-Stop Career Center staff.

To better insure accountability, workload measures have been developed that will track entered employment rates. This baseline will be established based on PY 2003 (July 1, 2003 - June 30, 2004) reporting data via the revised ETA 9002 report.

FY 2005 Performance Goal:

Improve the employment outcomes for veterans who receive One Stop Career Center services and veterans program services.

Performance Indicators

- 1.A 58% of veteran and 52% of disabled veteran job seekers will be employed in the first or second quarter following registration.
- 1.B 72% of veteran and 65% of disabled veteran job seekers will continue to be employed two quarters after initial entry into employment with a new employer.

To facilitate management of performance, the 58% target for those who entered employment as a share of veterans registered has been reduced to a number that can be tracked. The 58% entered employment rate represents about 975,000 veterans entering employment from about 1,681,000 veterans registering for assistance.

These performance targets reflect the strong commitment of the VETS' mission to ensure that veterans are being provided the optimum services necessary to compete in the labor market and to obtain subsequent employment in a reasonable time period and at the same rate as non-veterans. Although some veterans are job ready, many others face employability barriers, particularly disabled veterans, who often require intensive staff assistance. The performance goals are designed to make sure veterans are helped based on their need for employment assistance. In effect, the objective is to ensure that the entered employment rate for veterans with multiple employment barriers or a severe need for services is the same as that of job-ready veterans or non-veterans.

Funding for the DVOP and LVER programs has a strong positive impact on the State Workforce Agencies (SWA), and most importantly on the thousands of our Nation's veterans served through these programs annually. The performance indicator applies to the entire labor exchange system (whether funded by VETS grants or other funds) and is designed to approximate the projected entered employment rate for all applicants for services (58% of registrants enter employment). To achieve this level for service-connected disabled veterans and other veterans with employment barriers is an achievement. The 58% entered employment rate has been reduced to a number (975,000 veterans enter employment) to enable VETS to monitor progress and adjust resources so that States can meet this challenging stretch goal. The performance indicator, veterans helped by the entire workforce investment system, is consistent with the efforts by VETS, through technical assistance or guidance, to obtain priority of service for veterans within the system.

Past Performance Results and Future Projections at the Request Level

Since this performance goal and its indicator are new, there is no past performance results that are germane to the new performance goal indicator. Performance under this will result in 975,000 veterans entering employment with assistance from the State Workforce Agencies (they should help 54% of veteran registrants into employment), and of these, about 427,000 will enter employment with assistance provided by DVOP and LVER staff.

FY 2003 and FY 2004 performance will be based on a new information collection system that will improve the effectiveness of employment and training services by removing the time consuming responsibility of following up on registrants to see if they obtained employment within 90 days of services rendered. Instead, the system will introduce computer matching of the social security number of new hires reported by employers in their Unemployment Insurance (UI) wage reports against the social security number of individuals registering for and receiving services provided by the State Workforce Agencies. The table below illustrates the significant impact of changing the methodology used to follow-up on the employment outcomes of registrants. The low entered-employment rates for program years (PYs) 1999 – 2001 are based on the old system; the preliminary data for PY 2002 are based on UI wage records.

The retention rate at six months is a new measure, based on an information collection that was approved in FY 2002, and implemented on July 1, 2002. By July 1, 2004, the Employment and Training Administration will again change its measures to be consistent with other common measures for employment and job training programs. The entered employment rate for

Vocational Rehabilitation participants declined to 71% for FY 2003 and is likely to stay at reduced levels as the VA hires employment specialists to assist participants while in the Vocational Rehabilitation program. Performance indicators have been adjusted accordingly.

Past Results	PY 1999 (FY 2000)	PY 2000 (FY 2001)	PY 2001 (FY 2002)*	PY 2002 (FY 2003)
Entered Employment Rate for Veterans	29.9%	32.9%	28.5%	58%**
Entered Employment Rate for disabled veterans	32.2%	36.1%	31.4%	52%**

* Data not available

** Based on preliminary 1st quarter FY 2003 data.

Critical Strategies

VETS will improve the integration and effectiveness of services provided to veterans within the workforce development system through reliance on other One-Stop Center staff, implementation of better performance measures (weighted performance measures), incentives awards for staff, and system improvements that address priority job placement services to veterans. This is a change from previous compliance enforcement efforts, and will require guidance, training and changes in procedures. The strategies aimed at meeting the performance goal will be implemented primarily through partnership efforts and technical assistance and include the following:

- State Workforce Agencies (SWAs) will have more flexibility and accountability in the provision of services to veterans. Previous staffing limitations imposed by legislation have been removed, and the SWAs will have more responsibility for developing plans for services to veterans and their effectiveness and outcomes;
- Continued emphasis on DVOP and LVER staff serving as the critical link for services to veterans with employment barriers, as well as serving as a focal point for transition assistance, homeless veterans reintegration, workforce investment, vocational rehabilitation, and labor exchange services taking a client-centric approach;
- Increased and improved technical assistance to States on their development of State plans;
- Better data acquisition, using employer wage records to measure success;
- Improved outreach to ensure veterans and particularly employers, through the President's National Hire Veterans Committee efforts, are aware of the services available;
- Encourage full utilization of staffing resources (timely filling of positions); and
- Improved local relationships with employers.

Additionally, VETS will offer guidance and technical assistance on proven methods of improving placement and retention to State Workforce Development Agencies, including a focus on skill quality, credentials, job development, employer relations and case management. These efforts are consistent with the Assistant Secretary's initiative, which includes working in partnership with the States and providing technical assistance to achieve the purpose of the grants.

FY 2005 Budgetary Request

A total of \$162,415,000 is requested for FY 2005. VETS is changing its relationship with State grantees, including efforts related to partnering with States, providing more technical assistance and less confrontation, and ensuring that VETS requirements are consistent with the One-Stop Career Center and Workforce Investment Act concepts. VETS will continue these efforts and undertake efforts to make a smooth transition, and ensure an effective fit into the new system expected from WIA reauthorization efforts. VETS, through the National Hire Veterans initiative, expects new relationships with employers and employer groups to result in more veterans getting hired and more vacancies being listed by employers with the One Stop Career Center system. The shift to civilian labor force data to allocate resources is expected to result in a more effective delivery of services to veterans.

Cost Allocation

VETS’ funding for State Grants is noted below, but some of these funds are also identified as resources under other activities when staff is devoted to support other programs (such as TAP, HVRP and VWIP) from time distribution studies conducted in the past. Funding from other resources that support this activity (Federal Administration and NVTI) are similarly identified below (Federal Administration from time distribution data, NVTI by the number of classes conducted for DVOP and LVER staff).

Performance Goal 1. A & B			
Cost (By Type of Appropriation)		Cost (Direct and Indirect)	
Activity Appropriation	\$162,415	Direct Costs of All Outputs	171,245
Other Appropriation (SOL)	53	Indirect Costs	1,483
Other Resources	10,260	Common Admin	
Total Resources for Performance Goal	172,728	Total Resources for Performance Goal	172,728

State Grants Administration
Changes in FY 2005
(\$ in thousands)

Activity Changes:

Built-in 0 0

Base

Estimate: \$161,408 FTE: 0

Program Increase/Decrease

Estimate: \$1,107 FTE: 0

Summary of Performance and Resource Levels

(\$ in 000s)

	FY 2003 Enacted	FY 2004 Request	FY 2005 Request
Performance Goal 1.A & B	\$159,822	\$161,408	\$162,415
Expected Outcome Level			
Veteran Entered Employment/Registrations	58%	58%	58%
Disabled veteran Entered Employment/Registrations	60%	60%	52%
Veterans Retaining Employment	72%	72%	72%
Disabled Veterans Retaining Employment	65%	65%	65%
Vocational Rehabilitation Veterans Entering Employment	71%*	*	*
Funding not associated with Performance Goal	\$0	\$0	\$0
Budget Activity Total	\$159,822	\$161,408	\$162,415

* Goal was 78% - the entered employment rate compared to registrations has been declining as the Department of Veterans Affairs continues to hire veteran employment specialists to assist vocational rehabilitation participants secure employment while on the program.

Homeless Veterans' Reintegration Program Activity
(\$ in Thousands)

	FY 2004 Request	FY 2004 Estimate	Difference Approp/Est	FY 2005 Request	Difference FY04/05
Activity Appropriation	19,000	18,888	-112	19,000	112
Other Appropriation	0	0	0	0	0
Other Resources	8,444	8,700	256	9,288	588
Total Resources	27,444	27,588	144	28,288	700

Applicable Performance Goal: 1.C and 1.D (See page 6)

Introduction and Performance Summary

The Homeless veterans reintegration program provides grants to States or other public entities and non-profits, including faith-based organizations, to operate employment programs that reach out to homeless veterans and help them become employed. Liaison and coordination with the Departments of Veterans Affairs and Housing and Urban Development promote multi-funded programs and integration of the different services needed by homeless veterans. Grants are provided for both urban and rural areas.

This budget activity supports reintegration programs for homeless veterans under 38 U.S.C. 2021. The Homeless Veterans' Reintegration Program (HVRP) has been successful in getting veterans who are homeless back into the economic mainstream and the civilian labor force in a cost-effective manner.

VETS is requesting a total of \$19,000,000, an increase of \$112,000 over the FY 2004 estimated post-rescission level. Funding will enable VETS to continue financing existing grantees, focus on job retention, and continue to support incarcerated veterans pilot projects. At the requested funding level, homeless veterans should get about 9,000 jobs (based on a cost of \$2,110 per veteran entering employment). Of those entering employment, it is anticipated that the number retaining jobs for six months or more will be 5,000. The NVTI will provide training for grantees to increase their effectiveness and productivity. The funding provided will also support pilot demonstration projects for incarcerated veterans (per P. L. 107-95). Homeless veterans entering employment also contribute to the number of veterans entering employment under the State Grants activity.

VETS gives additional weight to participation in VA and HUD programs when evaluating grant applications, since resources provided by other agencies reduces the funding amount required to sustain projects. Similarly, DVOP and LVER resources are used in projects to support employment efforts. The time spent by DVOP and LVER staff and VETS employees is reflected in the Other Resources line.

FY 2005 Performance Goal

Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services

Past Performance Results and Future Projections at the Request Level

Performance Goal Indicators <i>(Projections in Italics)</i>	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
At least 50% of veterans enrolled in the HVRP grants enter employment	53% (4,843)				
At least 55% of veterans enrolled in HVRP enter employment		60.3% (9,255)	54.5% (9,000)	55%* (9,000)	55%* (9,000)
55% of homeless veterans will be employed six months after Entering employment		55%	55% (4,950)	55% (5,000)	55% (5,000)
* The goal was changed due to a positive result in FY 2002 that continues to show in FY 2003 in the percentage of participants that enter employment.					

It is important to note that as additional funding is provided and new grantees start projects, the costs of start-up and inexperience increase the cost per placement of the total program. However, since grantees that perform well are evaluated favorably for continued funding, the productivity of more experienced grantees increases. VETS also looks at its own capacity in seeking additional funds, since HVRP grantees require more oversight and technical assistance than other grantees. VETS will, through partnering with the State Workforce Agencies, make better use of staff helping HVRP projects; encourage grantees to use other services available in the community; promote on-the-job-training, particularly on-the-job training using the Worker Opportunity Tax Credit (WOTC) and helping the employer secure bonding for the homeless veteran; encourage grantees to follow-up with the State Workforce Agencies to determine outcomes and emphasize case management. VETS will also ensure contact is made with the veteran following completion of on-the-job-training and provide incentive bonuses to veterans to “stay in touch” for necessary follow-ups as a means of increasing retention.

Performance Indicators

- 1.C 55% of homeless veterans enrolled in Homeless Veterans Reintegration Programs will enter employment
- 1.D 55% of homeless veterans will continue to be employed six months after entering employment.

The performance indicators are similar to previous years, but will change to comply with the proposed employment and training programs’ common measures. Key to this program is the number of homeless veterans who through outreach agree to enroll in the program, those that enter employment, and the job retention rate. The HVRP is an employment program, designed to facilitate reintegration into the economic and social mainstream. Thus, the number who enter

employment, and those that remain employed after six months are realistic outcome measures of success. The retention rate of 55% was established using FY 2001 data. The performance indicators will change to conform to the common measures and new baselines. These will be established in FY 2004.

VETS has been in a leadership role relative to helping homeless veterans get jobs, helping them obtain housing and through other supportive services enabling them to resume living a normal life through its Homeless Veterans Reintegration Projects, Stand Down and other initiatives. The program is employment focused, thus the performance indicator – homeless veterans entering and retaining employment. Data will be collected by the grantees and reported quarterly to VETS. Each grantee will be monitored and the data submitted validated by VETS staff.

Critical Strategies

VETS will continue to combine its grant program with multi-departmental and partnering efforts to help homeless veterans back into the mainstream of the civilian labor force. VETS model has been successful in the past and will be continued, but with broader coordination with other Departments and agencies participating in the President’s efforts to reduce homelessness. VETS is actively working the Departments of Veterans Affairs and Housing and Urban Development to provide seamless services to homeless veterans. Current grantees will continue to operate the current projects, concentrating efforts on job retention. No competition to enable new providers is expected.

FY 2005 Budgetary Request

A total of \$19,000,000 is requested. The request brings the number of homeless veterans helped into jobs to slightly over 9,000, and the number retaining jobs for six months to about 5,000. The request includes support for pilot demonstration projects for incarcerated veterans. No competition will be held in FY 2005, instead, FY 2004 grantees will be extended based on their performance.

Cost Allocation

Performance Goal 1.C & D Summary			
Cost (By Type of Appropriation)		Cost (Direct and Indirect)	
Activity Appropriation	\$19,000	Direct Costs of All Outputs	27,862
Other Appropriation	0	Indirect Costs	426
Other Resources	9,288	Common Admin	0
Total Resources for Performance Goal	28,288	Total Resources for Performance Goal	28,288

Homeless Veterans Reintegration Program
Changes in FY 2005
(\$ in thousands)

Activity Changes:

Built-in 0 0

Base

Estimate: \$18,888 FTE: 0

Program Increase/Decrease

Estimate: \$112 FTE: 0

Summary of Performance and Resource Levels
(\$ in 000s)

	FY 2003 Enacted	FY 2004 Estimate	FY 2005 Request
Performance Goal 1	\$18,131	\$18,888	\$19,000
Expected Outcome Level			
Homeless veterans entering employment	55%	55%*	55%*
Homeless veterans employed after six months	55%	55%	55%
Expected Outputs			
Homeless Veterans Entering Employment	9,000	9,000	9,000
Homeless Veterans employed after six months	4,950	5,000	5,000
Funding not associated with Performance Goal	\$0		
Budget Activity Total	\$18,131	\$18,888	\$19,000
* Goals increased based on FY 2002 performance results			

Veterans Workforce Investment Program Activity

(\$ in Thousands)

	FY 2004 Request	FY 2004 Estimate	Difference Approp/Est	FY 2005 Request	Difference FY04/05
Activity Appropriation	7,550	7,505	-45	7,550	45
Other Appropriation	0	0	0	0	0
Other Resources	7,934	8,321	387	8,412	91
Total Resources	15,584	15,826	242	15,962	136

Applicable Performance Goal: 1.E and 1.F (see page 6)

Introduction

This budget activity supports efforts to ensure veterans' lifelong learning and skills development, under 29 U.S.C. 2913 (Veterans' Workforce Investment Programs - Sec. 168, Workforce Investment Act, P.L. 105-220) in programs designed to enable services to current eligible and targeted veteran subgroups with severe employability barriers. The Workforce Investment Act (WIA) in its Section 168 (29 U.S.C. 2913) expanded eligibility to veterans with severe economic and employment disadvantages. Under the new statutory authority, veterans with service-connected disabilities, veterans who have significant barriers to employment, veterans who served on active duty in the armed forces during a war or in a campaign or expedition for which a campaign badge has been authorized, and recently separated veterans are eligible for services. The resulting program will also consolidate models to offer other services available by other VETS programs (employment assistance, training and case management) to achieve an effective mix of interventions that lead to long term, higher wage and career potential jobs.

Performance Summary

VETS will continue to offer high quality training and employment services to participants through the VWIP grants process. Grantees will provide a full array of services and assistance to eligible veterans, which include service connected disabled veterans, recently separated veterans, and veterans with employability barriers. Services offered will also include employment assistance and case management provided by the DVOP and LVER staff. A critical change in this activity is emphasis on recently separated veterans in support of the Department's *Competitive Workforce* strategic goal. VETS will continue, based on our successful experience with pilot projects with States, to help separating service members in certain occupational classes (IT, Trucking, Health) through pilot projects. These pilots are designed to provide employers with highly competitive and highly valued recently separated veterans.

FY 2005 Performance Goal:

Improve the employment outcomes for veterans who receive employment and training and veteran program services.

Past Performance Results and Future Projections at the Request Level

Performance Goal Indicators	FY 2002	FY 2003	FY 2004	FY 2005
Outputs:				
1.E Number of participants that enter employment (<i>Projections in Italics</i>)	2,240	2,300	2,500	2,500
1.F ___% will retain employment *				*

* Baseline will be established in FY 2005

Performance Indicators

Key to this program is the number of veterans with employability barriers, who are enrolled, receive training and employment services and obtain long term employment through the program. The VWIP is a training and employment program, designed to facilitate entry into the economic and social mainstream. The veterans who enter employment through VWIP will support Performance Goal 1, and enable meeting the output indicator of helping 975,000 veterans enter employment.

1.E A total of 2,500 veterans with employability barriers who receive VWIP services will enter employment.

1.F Establish baseline for VWIP service recipients who enter employment who will still be employed after six months.

These performance goals directly relate to the fundamental mission of VETS and reflect the positive outcomes that VETS and its grantees provide for veterans with multiple or serious employment barriers. The initiative for health care occupations will also help alleviate the expected shortage of health care professionals. Grantees provide performance outcome reports each quarter indicating the number of veterans helped and who entered employment. VETS’ staff monitors the projects and validates the data provided through on-site visits.

Critical Strategies

These performance indicators directly relate to the fundamental mission of VETS and reflect the positive outcomes that VETS and its grantees provide for veterans with multiple or serious employment barriers. The initiative for health care occupations will also help alleviate the expected shortage of health care professionals. Grantees provide performance outcome reports each quarter indicating the number of veterans helped and who entered employment. VETS’ staff monitors the projects and validates the data provided through on-site visits.

The VWIP is intended to be a focused and innovative national training and placement program for veterans with severe or multiple employment barriers and recently separated veterans. VETS has been successful in its efforts to help new veterans obtain work through information concerning credentialing requirements that facilitate licensing and certification for certain specialized occupations. VETS also supports pilot projects that help veterans with placement. The new initiatives have a twofold benefit – it will help alleviate the health care occupation shortages expected this decade, and by joining others (VA, DoD, SWAs) in this effort, the cost per placement is reduced by leveraging other resources. VETS will also look at alternatives that would enable launching nationwide programs within the resources available. VETS also intends

to target recently separated veterans for special attention in view of employers demand for employees with up-to-date technical knowledge, discipline and highly trainable. VETS will also concentrate efforts on retention during FY 2005, which will increase the cost per entered employment to about \$3,020.

FY 2005 Budgetary Request

A total of \$7,550,000 is requested for FY 2005. The VWIP will also contribute to maintaining a competitive workforce, particularly by helping recently separated veterans obtain the necessary training or credentials to meet the demand of employers. VETS has successfully tested several initiatives that are promising and have been successful in helping separating service members find jobs in their military occupations in the civilian sector. VETS now proposes to apply these pilot concepts to an initiative designed to address expected shortages in the health care and other occupations and take advantage of the competitiveness of recently separated veterans in the civilian sector. VETS seeks to expand its programs to additional states and will explore alternatives to providing nationwide assistance, while targeting efforts to recently separated veterans, using the President’s National Hire Veterans campaign to market their technological know-how, discipline and trainability to employers.

Cost Allocation

Performance Goal 1.E & F Summary			
Cost (By Type of Appropriation)		Cost (Direct and Indirect)	
Activity Appropriation	\$7,550	Direct Costs of All Outputs	15,762
Other Appropriation	0	Indirect Costs	200
Other Resources	8,412	Common Admin	0
Total Resources for Performance Goal	15,962	Total Resources for Performance Goal	15,962

**Veterans Workforce Investment Program
Changes in FY 2005
(\$ in thousands)**

Activity Changes:

Built-in: 0

Base

Estimate: \$7,505 FTE: 0

Program Increase/Decrease

Estimate: \$45 FTE: 0

Summary of Performance and Resource Levels
(\$ in 000s)

	FY 2003 Enacted	FY 2004 Request	FY 2005 Request
Performance Goal 1	\$7,377	\$7,505	\$7,550
Expected Outcome Level			
VWIP participants (veterans) entering employment	2,300	2,500	2,500
VWIP veterans employed after six months*			*
Expected Outputs			
Funding not associated with Performance Goal	\$0		
Budget Activity Total	\$7,377	\$7,505	\$7,550

* Baseline will be established in FY 2005

National Veterans Employment and Training Services Institute
(\$ in Thousands)

	FY 2004 Request	FY 2004 Estimate	Difference Approp/Est	FY 2005 Request	Difference FY04/05
Activity Appropriation	2,000	1,988	-12	2,000	12
Other Appropriation	0	0	0	0	0
Other Resources	600	600		607	
Total Resources	2,600	2,588	-12	2,607	19

Applicable Performance Goal: 1, 2 and 3 (see page 6)

Introduction and Performance Summary

The National Veterans' Employment and Training Services Institute (NVTI) was established in 1986 and authorized in 1988 by P.L. 100-323 [38 U.S.C. 4109]. NVTI provides competency training to veteran service providers, its main thrust being ensuring universality of services for veterans and ensuring that all direct client service providers have been properly trained on their job, and to increase their productivity and knowledge of veterans services available. NVTI is presently administered by VETS staff through contract to the University of Colorado at Denver (UCD).

VETS has recognized the need to formally train State and Federal staff involved in providing employment, reemployment, job training, outreach, placement and employability development services to veterans, reservists and separating service members as a means of ensuring that all veterans get the same level and quality of services. The formal training ensures universality of service delivery by grantees and VETS staff. The key performance indicator is the number of front-line veteran service delivery staff who receive basic competency or advanced training. VETS output indicators for NVTI are 1,620 participants, of which 1,248 will be DVOP and LVER staff, 72 will be USERRA/VP investigators and 168 TAP facilitators.

FY 2005 Performance Goal

To provide competency-based training those individuals that deliver employment and training services to veterans.

Performance Indicators

Goal 1: Improve the employment outcomes for veterans who receive One-Stop Career Services and veteran program services: DVOP/LVER Staff Trained.

Prepared Workforce: The main purpose of NVTI is to ensure that veteran service providers are effective in their delivery of employment and training services to veterans. Furthermore, that veteran service providers are aware of the services and benefits available to veterans from other sources, and to ensure that there is universality in the delivery of services to veterans by State employees. An output performance indicator is the number of veteran service providers trained.
Goal 3: Foster Equal Opportunity Workplaces: The number of VETS employees trained for USERRA and veteran's preference.

Quality Workplaces: NVTI trains Federal staff in USERRA (basic), Veteran’s Preference, Investigating Complaints, and Veteran Grants Orientation. These courses ensure that VETS staff is competent in handling complaints from veterans and providing technical assistance to grantees. An output performance indicator is the number of VETS’ staff trained.

Goal 4: Address demand for new, replacement and skilled workers: The number of TAP facilitators trained.

Competitive Workforce: NVTI trains the facilitators that provide TAP workshops. VETS has recognized the need to formally train State and Federal staff involved in providing employment, reemployment, job training, outreach, placement and employability development services to veterans, reservists and separating service members as a means of ensuring that all veterans get the same level and quality of services. The formal training ensures universality of service delivery by grantees and VETS staff. The key performance indicator is the number of front-line veteran service delivery staff who receive basic competency or advanced training. VETS output indicators for NVTI are 1,620 participants, of which 1,248 will be DVOP and LVER staff, 72 will be USERRA/VP investigators and 168 TAP facilitators.

Past Performance Results and Future Projections at the Request Level

(Projections in Italics)

	FY 2002	FY 2003	FY 2004	FY 2005
Performance Goal Outputs: <i>(Projections in Italics)</i>	\$2,000	\$1,350	\$1,988	\$2,000
DVOP/LVER staff trained	1,441	1,562	<i>1,308</i>	<i>1,248</i>
Total Participants Trained	1,720	1,914	<i>1,600</i>	<i>1,620</i>
USERRA/Veteran’s Preference				
Participants Trained	72	0	<i>120</i>	72
TAP				
TAP Facilitator Trainees	72	103	72	<i>168</i>

Critical Strategy

The training provided by NVTI is evaluated for effectiveness through post-training follow-up with participants and their supervisors to determine the impact of the training. The key effort heretofore has been directed at achieving competency within 180 days of the appointment of the veteran service provider so as to ensure that the service provider have the necessary knowledge, skills and abilities to effectively provide services to veterans. A new course will be developed in FY 2004 for both newly appointed DVOP and LVER staff, and also for retraining of existing staff. NVTI will also be able to handle, at the request level, four TAP classes, the minimum necessary for an expanded TAP effort during FY 2005.

FY 2005 Budgetary Request

A total of \$2,000,000 is requested for this activity. At this level, VETS will continue to provide TAP training, Case Management/Career Coaching, Managing Case Management, Labor Exchange, Veterans’ Benefits, and Employer Job Development in support of *A Prepared Workforce*. For Federal staff, training will be provided for USERRA, Veteran’s Preference,

Investigating Complaints, Managing VETS Programs (new course), Veteran Grants Orientation, and if resources permit, the development of courses addressing VETS staff management and career development competencies. VETS intends to train more veteran service providers through less costly off-site training.

Cost Allocation

Performance Goal 1 Cost Allocation Summary			
Cost (By Type of Appropriation)		Cost (Direct and Indirect)	
Activity Appropriation	\$1,697	Direct Costs of All Outputs	2,304
Other Appropriation		Indirect Costs	0
Other Resources	607	Common Admin/Other Res	0
Total Resources for Performance Goal	2,304	Total Resources for Performance Goal	2,304

Performance Goal 2 - Cost Allocation Summary			
Cost (By Type of Appropriation)		Cost (Direct and Indirect)	
Activity Appropriation	\$ 122	Direct Costs of All Outputs	122
Other Appropriation	0	Indirect Costs	0
Other Resources	0	Common Admin	0
Total Resources for Performance Goal	122	Total Resources for Performance Goal	122

Performance Goal 3 - Cost Allocation Summary			
Cost (By Type of Appropriation)		Cost (Direct and Indirect)	
Activity Appropriation	\$181	Direct Costs of All Outputs	181
Other Appropriation	0	Indirect Costs	0
Other Resources	0	Common Admin	0
Total Resources for Performance Goal	181	Total Resources for Performance Goal	181

National Veterans Employment and Training Institute
 Changes in FY 2005
 (\$ in thousands)

<u>Activity Changes:</u>			
Built-in			
	Training services.....		12
<u>Base</u>			
	Estimate:	\$1,988	FTE: 0
<u>Program Increase/Decrease</u>			
	Estimate:	0	FTE: 0

Federal Administration (With TAP) Activity
(\$ in Thousands)

	FY 2004 Request	FY 2004 Estimate	Difference Approp/Est	FY 2005 Request	Difference FY04/05
Activity Appropriation	29,028	28,857	-171	29,683	826
Other Appropriations	800	800	0	750	-50
Other Resources	0	0	0	0	0
Total Resources	29,828	29,657	-171	30,433	776
FTE	250	250	0	250	0

Applicable Performance Goal: 1, 2 and 3 (see page 6)

Introduction and Performance Summary

This activity supports the Federal staff of the Veterans' Employment and Training Service (VETS), and provides funding for all its activities except for grant funds and the National Veterans' Training Institute. These activities are provided in more detail below. This activity, together with VWIP, HVRP, NVTI, DVOP and LVER supports Performance Goal 1 (\$9.0 million). Performance Goal 2 is supported by \$10.9 million, and a total of \$9.6 million is in support Performance Goal 3.

VETS is responsible for ensuring that the legislative mandates for providing special services to veterans, Reservists, National Guard members, and other eligible persons are provided by the DOL and its grantees in accordance with Chapters 41, 42, and 43 of Title 38, United States Code. VETS administers grants-to-States for the Local Veterans' Employment Representative (LVER) program and the Disabled Veterans' Outreach Program (DVOP). It also administers grants-to-States and other entities as authorized under the Veterans' Workforce Investment Programs (formerly JTPA-IVC) and Homeless Veterans Reintegration Programs (HVRP). VETS also provides technical assistance to support and foster the delivery of services by State Workforce Agencies (SWAs) to veterans on a priority basis through on-site monitoring of service delivery sites.

VETS acts as liaison with other Federal agencies, including the Office of Personnel Management, to protect veterans' hiring preference in the Federal sector; the Office of Federal Contract Compliance Programs, to ensure the enforcement of affirmative action requirements for special disabled and campaign badge veterans; and the Department of Veterans Affairs, to coordinate vocational rehabilitation and on-the-job training programs. In addition, VETS coordinates with the Departments of Defense and Veterans Affairs to conduct the Transition Assistance Program (TAP) providing service members separating from active duty with labor market information and job search skills training to expedite their transition from military to civilian employment. VETS maintains an Internet web site that enables Federal Contracting Officers to check on Federal contractors' submission of the VETS-100 Federal Contractor Report on Veterans' Employment.

There are several mission critical program mandates (functions) of the Veterans' Employment and Training supported by this activity:

- **Transition Assistance Program:** Title 10, U.S.C. Chapter 58, authorizes DOL to help DoD and VA in providing transition assistance services to separating service members and their spouses. DOL's role is to provide employment search workshops. Proposed legislation may make attendance mandatory. SWA DVOP and LVER staff are the primary source for TAP workshop facilitation. However, due to the distances from many of the State Employment Offices to the military installations, and to assist with the rapid growth of the program, contract facilitators were added in early FY1992 and Federal staff in FY 1996. VETS will expand TAP to reach overseas, starting in FY 2003, and reach all necessary sites in 2005.
- **Federal Contractor Program:** Title 38, U.S.C. 4212 requires entities receiving one or more Federal contract(s) or sub-contract(s) of \$100,000 to take affirmative action to employ and advance in employment qualified special disabled veterans, recently separated veterans and other veterans who have served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized.

The Veterans Employment Opportunities Act of 1998 (PL 105-339) amended Title 38, and requires Federal Contractors submit annual VETS-100 Reports prior to receiving approval of any additional Federal funding. This law also introduced new reporting requirements for (1) other eligible veterans, defined as veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized; and (2) the maximum and minimum number of employees during the period covered by the report.

VEOA also mandates that Federal Government contracting officers verify current VETS-100 reports are filed prior to contract awards. VETS provides access to the VETS-100 database to all Federal Government contracting officers. Federal Government contracting officers are also required to list all contract awards in Federal publications as Federal Procurement Data Systems or FedBiz.

The VETS-100 database developed by VETS contains reports for approximately 67,000 Federal Contractors and Subcontractors for their approximate 200,000 hiring locations. These reports are submitted through hard copy, electronic submission, computer disk or printout.

- **Veteran's Preference:** Veterans' Preference is provided to veterans who are disabled or who served on active duty in the Armed Forces during certain specified time periods or in military campaigns (preference eligibles). These veterans receive preference in hiring from competitive lists of eligible individuals and also in retention during reductions in force. The Veterans Employment Opportunities Act of 1998 (VEOA) gave the U.S. Department of Labor (VETS) the responsibility to investigate formal complaints from preference eligibles who allege that a Federal agency has violated such individual's rights under any statute or regulation relating to veterans' preference.

- USERRA:** USERRA provides reemployment rights for uniformed service members following qualifying service in the uniformed services. It prohibits employer discrimination against a person on the basis of that person's prior military service, current military obligations or intent to join a uniformed service. The law also prohibits employer retaliation against a person who seeks to enforce USERRA rights or assists in an investigation or court proceeding. On behalf of the Secretary of Labor, VETS administers USERRA, investigates complaints, and performs educational outreach activities. Briefings to departing and returning service members have increased and VETS intends they continue to increase in FY 2005.

(Projections in Italics)

Performance Goal 2 Outputs: Quality Workplaces	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
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USERRA

Cases Opened	895	1,195	1,315	<i>1,400</i>	<i>1,500</i>
Cases Processed	843	1,135	1,257	<i>1,350</i>	<i>1,375</i>
Cases Carried Over to next FY	102	164	184	<i>234</i>	<i>359</i>
Cases processing within 90 days	90%	90.5%	88.8%	<i>85%</i>	<i>85%</i>

Veteran's Preference

Cases Opened	274	309	351	<i>360</i>	<i>360</i>
Cases Processed	278	288	353	<i>217</i>	<i>225</i>
Cases Carried Over to next FY	20	41	39	<i>182</i>	<i>317</i>

Performance Goal 3 Outputs: Prepared Workforce: Priority of Service – TAP	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Transition Assistance Program Participants	110,796	104,000	110,955	<i>129,000</i>	<i>130,000</i>
Class Size	35.5	33	34	<i>35</i>	<i>33</i>

FY 2005 Performance Goals 1, 2 and 3

The performance indicators are changing from previous years in an effort to make them more outcome oriented. Key to this activity, as it relates to Strategic Goal 1, *A Prepared Workforce*, are the percentage and number of veterans who enter and retain employment after registration with the public labor exchange. VETS also tracks performance for contributors to this goal, the HVRP, VWIP, and Veterans participating in vocational and rehabilitation programs.

Performance Indicators

Prepared Workforce

Goal 1: Improve the employment outcomes for veterans who receive One-Stop Career Services and veteran program services

Performance Indicators for Performance Goal 1 (State Grants, HVRP, VWIP) reflect measures supported by this activity.

Quality Workplaces

Goal 2: Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment. (See page 6)

- **USERRA:** There is no outcome measure for the Quality Workplaces goal – to reduce problems identified by service members related to the demands of military service on their civilian employment. Outcome indicators will be developed as a result of a survey conducted by the Department in FY 2004 to identify key indicators. Output indicators are provided to measure achievements. This goal has been revised from the previous USERRA goal to reflect the shift in emphasis to compliance assistance. Previous goals related to processing of USERRA complaints. For FY 2005, this will be measured using the following output indicators:

Handle at least 95% of USERRA cases in an effective manner as defined by procedural guidelines and by substantive analysis (This will be measured during the annual quality assurance review of USERRA case handling).

Resolve 85% of USERRA cases within 90 days of their filing dates; resolve 90% of USERRA cases within 120 days of their filing dates; resolve 98% of USERRA cases within one year of their filing dates (VETS has an information management system that provides valid data on case handling).

- **Federal Contractor Program:** VETS' output/internal indicator for the Federal Contractor Program is the increase in the percentage of Federal Contractors and Subcontractors reporting through VETS-100 Reports. Because of changes in the statute that affect the number of Federal contractors required to report (the reporting threshold for FY 2005 is \$100,000 instead of the current \$25,000), FY 2005 will become the baseline for this performance target.
- **Veteran's Preference:** VETS' output/internal indicator for Veteran's Preference is how well cases are processed against established procedure and guidance. VETS developed quality assurance guidelines to be utilized in reviewing VP cases utilizing FY 2002 review as the baseline. The quality assurance program is an annual review.

Competitive Workforce

Goal 3: Meet the demands of employers seeking to recruit and hire the most qualified and knowledgeable competitive workforce. (See page 7) For FY 2005, VETS projects we will provide transition assistance workshops to 130,000 participants.

- **TAP:** TAP is a mission critical function in support of both *A Prepared Workforce* and *A Competitive Workforce*. VETS output goal is reach 130,000 participants, while keeping the class size as close to 35 as feasible. Also, VETS will extend efforts to overseas.

Critical Strategies

Transition Assistance Program: VETS will continue to reach the highest number of participants available, including their spouses, while maintaining a reasonable number of participants per workshop (since that facilitates questions) and provide support to military services overseas. The performance target for TAP is the number of participants that participate in TAP training.

- VETS will extend TAP workshops to overseas locations in FY 2005;
- VETS will shift facilitation of TAP workshops in the U.S. to State Workforce Agencies;
- VETS will ask SWAs to shift TAP workshop facilitation from DVOP to LVER staff;
- VETS intends to use TAP efforts, combined with the President's National Hire Veterans effort, to help the department meets its Competitive Workforce goal by bringing sought-after employment candidates to employers.

USERRA: VETS developed a survey to be conducted with members of the Reserve components and recently separated veterans to determine their understanding of their entitlements under USERRA and whether they believe their employers are according them those entitlements. The survey is conducted every three years and involves samples of National Guard and Reserve members as well as selected veterans two years following participation in Transition Assistance Program (TAP) classes.

Based on the results of the survey, VETS, during the "out years," redirects agency compliance assistance efforts as necessary to address any problems identified. Problems could involve lack of knowledge on the part of employers or protected persons or a disproportionate number of complaints received concerning a specific provision of USERRA. Action to increase effectiveness of information will be developed as a result of the survey.

- VETS will analyze the most recent survey to properly identify what, if any, corrective action may be required to rectify problems uncovered through the survey.
- VETS will improve its training on USERRA and Veteran's preference by making them more competency based.

Federal Contractor Program: Based upon the results of the annual mailings, the data collected, the Pilot efforts and the joint internal efforts between VETS and OFCCP in enhancing this program, the agency will redirect compliance efforts as necessary in this program. Currently the Memorandum of Understanding that outlines responsibilities between VETS and OFCCP is being renegotiated to enhance operations to promote additional coordinated efforts to this end. OFCCP and VETS are jointly planning training sessions, marketing events, compliance review efforts, and Contractor information packets. As data is collected and analyzed annually, problems will be identified to assist employers in meeting the Federal mandates and ensuring compliance with the Federal Contractor Program.

- VETS will concentrate its efforts on the collection and reporting of the VETS-100 report.

Veteran's Preference: Based on the results of the annual quality assurance review, areas of weakness will be strengthened by use of additional investigator training and/or mentoring. An additional bonus from this process redirects agency compliance assistance efforts, as necessary, to address any problems with specific Federal agencies.

- VETS will analyze the most recent survey to properly identify what, if any, corrective action may be required to rectify problems uncovered through the survey.
- VETS will improve its training on USERRA and Veteran's preference by making them more competency based.
- VETS will implement new efforts as a result of quality assurance reviews and will identify any corrective action that may be required to eliminate issues discovered during the reviews.

Compliance Assistance: The Department of Labor has made a commitment to improve voluntary compliance with employment laws by enhanced efforts to inform workers and employers of their rights and obligations under the laws it administers and enforces. In keeping with this commitment, VETS' primary emphasis with respect to the USERRA program has shifted from enforcement activities to compliance assistance activities.

Internal Challenges: Managing risk is a central element in the VETS approach to performance goal attainment. We are implementing a risk management framework, part of a broad-based organizational and performance effectiveness effort, consisting of four interrelated dimensions. These include:

- o Human Capital Risk – these risks are associated with the organizational ability to recruit, retain, train and educate quality personnel and sustain their outstanding performance.
- o Operational Risk – these risks are associated with the ability to achieve program goals and objectives in the near term.
- o Future Challenges Risk – these risks are associated with the ability to invest in new operational concepts and programs within the scope of the agency mission, and
- o Institutional Risk – these risks are associated with mitigating the potential for fraud, waste and abuse, and practices and controls that ensure the effective and efficient operation of the agency.

The risk management framework allows agency-level consideration of potential trade-offs between fundamental performance goals and fundamental resource constraints. Through the application of a risk management process, VETS can directly and effectively address the potential obstacles to successful performance goal attainment. VETS has incorporated a PART-type assessment into its management control system as a means of achieving a higher level of competency by managers, particularly at the State level.

FY 2005 Budgetary Request

A total of \$29,683,000 is requested for this activity. At this level, VETS will be able to increase TAP services, including coverage of overseas separation sites, in support of the Department’s strategic goal of a Competitive Workforce, as well as a Prepared Workforce, and to continue investigation of USERRA complaints, with increased efforts on the quality of the handling of complaints and increasing compliance assistance activities as preventive measure. Veteran’s Preference emphasis will be in compliance assistance to Federal agencies and the quality of the complaints’ processing. Licensing and certification efforts will continue and as resources permit be expanded.

Cost Allocation

Performance Goal 1 Cost Allocation Summary			
Cost (By Type of Appropriation)		Cost (Direct and Indirect)	
Activity Appropriation	\$9,061	Direct Costs of All Outputs	6,242
Other Appropriation	803	Indirect Costs	3,683
Other Resources	0	Common Admin	0
Total Resources for Performance Goal	9,864	Total Resources for Performance Goal	9,864

Performance Goal 2 - Cost Allocation Summary			
Cost (By Type of Appropriation)		Cost (Direct and Indirect)	
Activity Appropriation	\$10,948	Direct Costs of All Outputs	6,904
Other Appropriation	50	Indirect Costs	4,094
Other Resources	0	Common Admin/Other	
Total Resources for Performance Goal	10,998	Total Resources for Performance Goal	10,998

Performance Goal 3 - Cost Allocation Summary			
Cost (By Type of Appropriation)		Cost (Direct and Indirect)	
Activity Appropriation	\$9,674	Direct Costs of All Outputs	6,861
Other Appropriation	0	Indirect Costs	2,813
Other Resources	0	Common Admin /other	0
Total Resources for Performance Goal	9,674	Total Resources for Performance Goal	9,674

Federal Administration

Changes in 2005
(\$ in Thousands)

Activity Changes:

Built in:

Annualization of pay raise effective January 2004.....	\$83
Pay Raise effective January 2005.....	186
Working Capital Fund.....	296
Personnel Benefits.....	63

Transportation.....	22
Rental of Space	116
Printing.....	95
Equipment.....	3
Other.....	42
Total Built-in	906
One less day of pay	-80
Direct FTE.....	0

Base

Estimate: \$28,857 FTE: 250

Program Increase/Decrease

Estimate: \$0 FTE: 0

Summary of Performance and Resource Levels
(\$ in 000s)

	FY 2003 Enacted	FY 2004 Estimate	FY 2005 Request
	\$26,496	\$28,857	\$29,683
Performance Goal 1	14,253	18,045	9,061
Performance Goal 2	10,707	11,811	10,948
Outputs			
USERRA Cases Resolved	1,327	1,350	1,375
USERRA Cases Conducted Properly			98%
USERRA Cases closed within 90 days			85%
Veteran's Preference cases conducted to resolution/closed	250	217	225
Performance Goal 3	0	0	9,674
Outputs			
Transition Assistance Participants			130,000

Appendix

Appropriation History
(\$ In Thousands)
Veterans' Employment and Training Service

		Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriation	FTE
1995	1/2/3	190,209	185,281	187,964	185,206	272
1996		187,114	170,390	170,390	170,390	239
1997	4/	178,870	181,949	174,225	181,851	260
1998		181,955	181,955	181,955	181,955	254
1999		182,719	182,719	182,719	182,719	254
2000		185,613	185,613	184,341	184,341	255
2001	5/	210,213	201,277	206,713	211,713	255
2002	6/	211,703	211,703	213,703	212,516	250
2003	7/	210,337	210,337	218,037	212,820	250
2004	8/	219,993	219,993	219,993	218,646	250
2005		220,648				250

1/ Reflects a \$470,000 across-the board reduction pursuant to P.L. 102-394

2/ Reflects a reduction of \$275,000 pursuant to Executive Order 12837; and a reduction of \$203,000 pursuant to P.L. 103-226

3/ Reflects a reduction of \$75,000 for awards and a reduction of \$8,000 for procurement pursuant to P.L. 103-333

4/ Reflects a reduction of \$83,000 pursuant to P.L. 104-19

5/ Reflects a reduction of \$98,000 pursuant to P.L. 104-208 and a comparative transfer of funds from Employment and Training Services

6/ Reflects a reduction of \$79,000 pursuant to P.L. 107-116 and a reduction of \$108,000 pursuant to P.L. 107-216 from an appropriation of \$212,703,000.

7/ Reflects a reduction of \$1,392,000 pursuant to P.L. 108-7 from an appropriation of \$214,212,000.

8/ Reflects a reduction of \$1,298,000 (Conference Committee Report)

Budget Authority by Object Class
Veterans' Employment and Training Service
(\$ in thousands)

	FY 2003	FY 2004	FY 2005	Change
	Actual	Approp Estimate	Request	
Total number of Full-Time Permanent	250	250	250	0
Full-Time Equivalent	250	250	250	0
Full-Time Permanent	242	250	250	0
Other	1	0	0	0
Reimbursable	0	0	0	0
Total	243	250	250	0
Average ES Salary	132	134	134	0
Average GM/GS Grade	11.1	11.31	11.33	0.02
Average GM/GS Salary	63	67	71	4
11.1 Full-Time Permanent	15,606	16,250	16,499	249
11.3 Other than Full-Time Permanent	75	81	111	30
11.5 Other Personnel Compensation	241	250	323	73
11.9 Total Personnel Compensation	15,922	16,581	16,933	352
12.1 Civilian Personnel Benefits	3,796	3,891	4,227	336
13.0 Benefits of Former Personnel	0	0	0	0
21.0 Travel and Transportation of Persons	1,601	1,564	1,352	-212
22.0 Transportation of Things	100	121	142	21
23.1 Rental Payments to GSA	784	784	900	116
23.2 Rental Payments to Others	0	0	0	0
23.3 Communications, utilities, and miscellaneous charges	1,635	1,574	1,554	-20
24.0 Printing and Reproduction	153	249	331	82
25.1 Other Services	530	1,667	821	-846
25.2 Training	1,450	3,184	3,706	522
25.3 Purchases from Gov't Accounts	3,531	3,249	3,492	-243
25.7 Operation and Maintenance of Equip	432	438	438	0
26.0 Supplies and Materials	361	352	357	5
31.0 Equipment	242	203	205	2
41.0 Grants	182,283	184,789	186,190	1,401
Total	212,820	218,646	220,648	2,002
IT Crosscut	0	0	0	0
TOTAL, BA by Object Class	212,820	218,646	220,648	2,002

Budget Authority by Strategic Goal
(\$ in 000s)

Performance Goal	Prepared Workforce	Secure Workforce	Quality Workplaces	Competitive Workforce	Total Budget Authority
Performance Goal 1	X				\$191,737
Performance Goal 2			X		12,198
Performance Goal 3				X	16,713
Total					220,648

Total Budgetary Resources

FY 2003-2005

(\$ in 000s)

	FY 2003			Total	FY 2004			Total	FY 2005			Total
	Activity Approp	Other Approp	Other Resrc		Activity Approp	Other Approp	Other Resrc		Activity Approp	Other Approp	Other Resrc	
Trust Funds												
State Grants	159,822	0	0	159,822	161,408	0	0	161,408	162,415	0	0	162,415
Federal	26,496	0	0	26,496	28,857	0	0	28,857	29,683	0	0	29,683
Administration	994	0	0	994	1,988	0	0	1,988	2,000	0	0	2,000
NVTI												
General Funds												
HVRP	18,131	0	0	18,131	18,888	0	0	18,888	19,000	0	0	19,000
VWIP	7,377	0	0	7,377	7,505	0	0	7,505	7,550	0	0	7,550
Executive Direction												
Legal Services/Adj		803		803		853		853		803		803
Total Budgetary Resources	212,820	803	0	213,623	218,646	853	0	219,499	220,648	803	0	221,451

Summary of Performance and Resource Levels

(\$ in 000s)

	FY 2003 Enacted	FY 2004 Estimate	FY 2005 Request
Performance Goal 1 – Prepared Workforce	\$203,000	208,337	191,737
Veterans Entering Employment (58% of registrants).....	<i>920,000</i>	<i>930,000</i>	<i>975,000</i>
Disabled Veterans Entering Employment *	<i>84,000</i>	<i>85,000</i>	75,000
Retention rate at six months for veterans.....	<i>72%</i>	<i>72%</i>	<i>72%</i>
Retention rate at six months for disabled veterans.....	<i>65%</i>	<i>65%</i>	<i>65%</i>
Vocational Rehabilitation disabled veterans entering employment....	**	**	**
Homeless Veterans Entering Employment (54% of enrolled).....	<i>9,000</i>		
Homeless Veterans Entering Employment (55% of enrolled).....		<i>9,000</i>	9,000
Homeless veterans retaining jobs for six months		<i>55%</i>	<i>55%</i>
Homeless Veterans efficiency measure (cost per entered employment)			
Veterans Entering Employment after VWIP program exit.....	<i>2,300</i>	<i>2,500</i>	2,500
Veterans Retention in Employment after VWIP Entered Employment			
Transition Assistance Participants (target measure).....	<i>110,955</i>	<i>129,000</i>	<i>0*</i>
Performance Goal 2 – Quality Workplaces	\$9,820	11,656	12,1986
USERRA Cases Resolved.....	<i>1,327</i>	<i>1,350</i>	<i>1,375</i>
USERRA Cases Conducted Properly			
USERRA Cases closed within 90 days	<i>88%</i>	<i>85%</i>	<i>85%</i>
Veteran’s Preference cases conducted to resolution/closure.....	<i>353</i>	<i>217</i>	<i>225</i>
Performance Goal 3 – Competitive Workforce	NA	NA	16,713
Transition Assistance Participants (output target).....	NA	NA	<i>130,000</i>

* Targets in Italics and bold are included in the veterans entering employment measure

** Performance Indicator removed pending decision by the VA on their use of employment specialists

Detailed Performance Table

VETS Performance Goal 1	
<p>FY 2005: Improve the employment outcomes for veterans who receive One Stop Career Center services and veteran program services.</p> <p>FY 2004: Same as above</p> <p>FY 2003: Increase the employment and retention rate for veteran job seekers registering for public labor exchange services</p> <p>FY 2002: Thirty four percent of veteran job seekers registering for public labor exchange services will be employed in the first or second quarter following registration</p> <p>FY 2001: 27% of those veterans and other eligible persons registering for public labor exchange services will enter employment each year through assistance provided by VETS funded staff and the Wagner-Peyser funded system.</p> <p>FY 2000: 27% of veterans that register with the Public Employment Service will enter employment and for DVOP and LVER staff the ratio will be 30%.</p>	
Results	<p>FY 2003 – 2004: N/A</p> <p>FY 2002: The goal was achieved. The entered employment rate for veterans assisted by the public employment service system was 42.84 percent.</p> <p>FY 2001: The goal was achieved. The entered employment rate for veterans assisted by the public employment service system was 33 percent.</p> <p>FY 2000: The goal was achieved. For DVOP and LVER staff, the entered employment rate was 32 percent. The entered employment rate for veterans helped by the public employment service system was 32 percent.</p>
Indicator	<p>FY 2005:</p> <ul style="list-style-type: none"> o 58% of veteran and 52% of disabled veteran job seekers will be employed in the first or second quarter following registration. o 72% of veteran and 65% of disabled veteran job seekers will continue to be employed two quarters after initial entry into employment with a new employer. o 55% of homeless veterans enrolled in the Homeless Veterans Reintegration Program (HVRP) enter employment. o 55% of homeless veterans will continue to be employed six months after entering employment. o A total of 2,500 veterans with employability barriers who receive VWIP services will enter employment. o Establish baseline for VWIP service recipients who enter employment who will continue to be employed after six months (Baseline developed by April, 2006 for Program Year ending June 30, 2005). o Establish baseline for an efficiency measure: cost per entered employment (number of enrolled homeless veterans who enter employment divided by the total amount of funds in HVRP competitively awarded grants). <p>FY 2004:</p> <ul style="list-style-type: none"> o 58% of veteran job seekers will be employed in the first or second quarter following registration;

	<ul style="list-style-type: none"> o 72% of veteran job seekers will continue to be employed two quarters after initial entry into employment with a new employer; o 60% of disabled veterans will enter employment o 54% of homeless veterans enrolled in homeless veterans reintegration programs will enter employment o 55% of homeless veterans will continue to be employed six months after entering employment (Baseline established in 2003) <p>FY 2003:</p> <ul style="list-style-type: none"> o 58% of veteran job seekers will be employed in the first or second quarter following registration o 72% of veteran job seekers will continue to be employed two quarters after initial entry into employment with a new employer. <p>FY 2002:</p> <ul style="list-style-type: none"> o 34% of veteran job seekers will be employed in the first or second quarter following registration o 54% of homeless veterans enrolled in HVRP enter employment
Data Source	State reports and UI wage records, reports from the DVA, and homeless veteran grantee reports
Baseline	During FY 2002 and FY 2003, DOL transitioned to a new Labor Exchange Performance Measurement system. Because there is no comparable baseline, these measures will be regularly reviewed for appropriateness and rigor as performance data become available. A baseline will be established for the entered employment rate and retention rate goals based on FY 2002 and FY 2003 results. Baseline data currently do not exist for the veteran job seeker entered employment and employment retention goals. For homeless veterans programs, the baseline of 51% was established in FY 2001 and the retention baseline in 2003; for VR & E** referred disabled veterans, the baseline of 77% was established in FY 2001. During FY 2005, VETS will develop systems to capture data for common measures for HVRP and VWIP and will coordinate with ETA to attain the employment data. Baselines will be set in FY 2006.
Comment	<p>*DOL is undergoing a transition to a new labor exchange performance measurement system. Performance indicators shown are estimates that will be revised when baseline data become available.</p> <p>** Disabled veterans who are clients of the Department of Veterans' Affairs Office of Vocational Rehabilitation and Employment and referred to the Public Labor Exchange System.</p> <p>***The performance indicator for Vocational Rehabilitation veterans registered and entering employment is being temporarily eliminated due to uncertainty as to the VA plans to maintain veterans employment specialists in their staff to help participants find jobs.</p>

VETS Performance Goal 2	
FY 2005: Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.	
FY 2004: Same as FY 2005	
Results	NA

Indicator	<p>Indicators will be established to target reductions in USERRA compliance problems that are most severe and pervasive based on survey of veterans and service members covered by USERRA.</p> <p>VETS has identified performance targets in support of the goal to enable measuring performance until outcome indicators are established. These are:</p> <ul style="list-style-type: none"> o Conduct at least 95% of USERRA cases in an effective manner as defined by procedural guidelines and by substantive analysis. o Resolve 85% of USERRA cases within 90 days of their filing dates; resolve 90% of USERRA cases within 120 days of their filing dates; resolve 98% of USERRA cases within one year of their filing dates.
Data Source	Survey to be conducted every two years
Validity and Verification of Performance Data	For the performance targets, VETS information is supported by the USERRA Information Management System (UIMS), which is validated during annual quality assurance reviews.
Baseline	First survey to be conducted in FY 2006, baseline established in FY 2006.

VETS Performance Goal 3	
FY 2005: Meet the demands of employers seeking to recruit and hire the most qualified and knowledgeable competitive workforce	
Results	NA
Indicator	<ul style="list-style-type: none"> o Outcome Indicators will be established during FY 2004 o For FY 2005, VETS projects we will provide transition assistance workshops to 130,000 participants
Data Source Validity and Verification of Performance Data	Will be developed during FY 2004
Baseline	Baseline established in FY 2004.

President's Management Agenda

President's Management Agenda: VETS will actively continue to pursue the mandates of the President's Management Agenda to address many of the challenges that it faces:

Human Capital--- VETS has an aging workforce, many of whom are expected to retire in the next few years. A challenge will be to develop mechanisms and practices that allow for the orderly transfer of responsibilities and skills to newer employees. VETS intends to continue improvement of its internal management of human capital with increased training and management development programs. VETS received from Congress flexibility in the appointment of staff and its distribution according to workloads instead of formulas. This will enable VETS to better align its staffing with mission, goals and organizational objectives. VETS will restructure its operational components in FY 2005 to increase effectiveness. VETS will also be able to become more client-centered by shifting positions to where the workloads are and the need for assistance is higher. Similarly, the elimination of the State residency requirement at appointment in certain positions facilitates succession planning and avoidance of mission critical occupational or staffing gaps. JVA also provides some flexibility to adapt the functional skill mix to support competitive sourcing. VETS has already addressed core competencies, training, and linking goals and outcomes to performance management.

Competitive Sourcing---. The flexibility provided by the new JVA may enable VETS to make better use of competitive sourcing. In its implementation of the new law, VETS will actively pursue this option.

Financial Management---VETS will implement better tracking of activities' cost and a more effective financial management control system. VETS will adopt Departmental systems that will enable better financial and management decisions to support day-to-day operations.

Expanding E-Government--- VETS will expand and improve its efforts to provide access and information to veterans through the Internet, such as the E-Laws for USERRA, and e-VETS Resource Advisor website. VETS will also develop an electronic One-Stop Career Center for veterans during 2004. VETS is also going to implement e-property and e-procurement.

Integrating Budget and Performance---VETS has clearly established performance outcome goals. Activity Based Costing (ABC) pilots in 2001 enabled VETS to tie outcomes to resource levels. VETS will continue its activity based costing information gathering to fine tune resource – outcome relationships and to compute the actual costs of activities and outcomes. VETS will participate in the FY 2004 Cost Accounting Management effort launched by the Department. Regional Administrators submit Annual Work Plans reflecting workloads and budgetary requirements based on meeting Agency performance indicators and goals. The VETS Operations and Programs Accountability Report (VOPAR) tracks regional performance against outcomes and performance indicators, and their organization's performance against objectives is included in the performance management system and thus into their performance appraisals. VETS has also establish a system that borrows concepts from PART and uses it to track performance, provide management control and ensure performance objectives are clear to VETS staff.

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